

BEFORE THE ARIZONA CORPORA'.

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2	<u>COMMISSIONERS</u>	Arizona Corporation Commission DOCKETED			
3	BOB STUMP, Chairman	MAY - 8 2013			
4	GARY PIERCE BRENDA BURNS	DOCKETED BY			
5	BOB BURNS SUSAN BITTER SMITH	NR			
6	In the matter of:)) DOCKET NO. S-20880A-13-0088			
7	LYNN R. GOLDNEY (CRD No. 1325181))) DECISION NO. 73866			
8	and VALERIE L. GOLDNEY, husband and	<u> </u>			
9	wife,	ORDER OF REVOCATION, ORDER TO CEASE AND DESIST,			
10	Respondents.) ORDER FOR RESTITUTION,) ORDER FOR ADMINISTRATIVE) PENALTIES AND CONSENT TO SAME			
11) BY LYNN R. GOLDNEY AND) VALERIE L. GOLDNEY			
12) VALERGE E. GOLDIVET)			
13	Respondent Lynn R. Goldney ("Respondent") and Valerie L. Goldney ("Respondent				
14	Spouse") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of				
15	the Securities Act of Arizona, A.R.S. § 44-1801, et seq. ("Securities Act") with respect to this				
16	Order for Revocation, Order To Cease And Desist, Order for Restitution, Order for Administrative				
17	Penalties and Consent to Same by Lynn R. Goldney and Valerie L. Goldney ("Order"). Respondent				
18	and Respondent Spouse admit the jurisdiction of the Arizona Corporation Commission				
19	("Commission"); admit only for purposes of this proceeding and any other proceeding in which the				
20	Commission or any other agency of the state of Arizona is a party the Findings of Fact and				
21	Conclusions of Law contained in this Order; and consent to the entry of this Order by the				
22	Commission.				
23	I.				
24	FINDINGS OF FACT				
25	Lynn R. Goldney has been at all	relevant times an Arizona resident.			
26	2. Valerie L. Goldney has been at all relevant times the spouse of Lynn R. Goldney.				

3.	Respondent acted at all relevant times for his own benefit and for the benefit or in
urtherance of	Respondent and Respondent Spouse's marital community.

- 4. From November 12, 1984, to March 9, 2012, Respondent, CRD No. 1325181, was registered as a securities salesman in Arizona.
- 5. Beginning in about April 2009, Respondent began seeking loans from his customers. He obtained 45 distinct loans from 26 customers. In total, he borrowed \$255,175 from these customers.
 - 6. To date, Respondent has repaid \$163,705 in principal and interest.
- 7. Respondent has not fully repaid approximately 16 loans he obtained from 14 customers. The total principal amount owing on these loans is \$98,835.
- 8. None of the customers from whom Respondent obtained a loan are relatives of Respondent or persons in the business of lending money.
- 9. On March 9, 2012, Financial Network Investment Corporation, Respondent's broker-dealer, terminated its independent contractor agreement with Respondent. At that time, pursuant to A.R.S. § 44-1949, his registration as a securities salesman was automatically suspended. Since his termination, he has not associated with any dealer.

II.

CONCLUSIONS OF LAW

- 1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.
- 2. Respondent engaged in dishonest or unethical practices in the securities industry by borrowing money from his customers who, at the time of the loans to him, were neither relatives of his nor persons in the business of lending funds.
- 3. Respondent's conduct subjects Respondent to an order of revocation pursuant to A.R.S. § 44-1962(A)(10).

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- 4. Respondent's conduct is grounds for a cease and desist order pursuant to A.R.S. §§ 44-1962(B) and 44-2032.
- 5. Respondent's conduct is grounds for an order of restitution pursuant to A.R.S. §§ 44-1962(B) and 44-2032.
- 6. Respondent's conduct is grounds for administrative penalties under A.R.S. §§ 44-1962(B) and 44-2036.
- 7. Respondent acted for the benefit of the marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this order of restitution and administrative penalties is a debt of the community.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent and Respondent Spouse consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-1962(A)(10), that Respondent's securities salesman registration is revoked.

IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-1962(B) and 44-2032, that Respondent, and any of Respondent's agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-1962(B) and 44-2032, that Respondent, individually, and the marital community of Respondent and Respondent Spouse, jointly and severally shall pay restitution to the Commission in the principal amount of \$98,835. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission. Any principal amount outstanding shall accrue interest at the rate of 4.25 percent per annum from the date of loan until

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paid in full. Interest in the amount of \$17,105 has accrued from the date of purchase to May 1, 2013.

The Commission shall disburse the funds on a pro-rata basis to investors shown on the records of the Commission. Any restitution funds that the Commission cannot disburse because an investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor because the investor is deceased and the Commission cannot reasonably identify and locate the deceased investor's spouse or natural children surviving at the time of the distribution, shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-1962(B) and 44-2036, that Respondent, individually, and the marital community of Respondent and Respondent Spouse, jointly and severally shall pay an administrative penalty in the amount of \$10,000. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest from the date judgment is entered at the rate of 4.25 percent per annum.

IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be applied to the restitution obligation. Upon payment in full of the restitution obligation, payments shall be applied to the penalty obligation.

IT IS FURTHER ORDERED that if Respondent fails to comply with this order, the Commission may bring further legal proceedings against Respondent, including application to the superior court for an order of contempt.

IT IS FURTHER ORDERED that Respondent and Respondent Spouse comply with the attached *Consent to Entry of Order*.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

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1	BY ORDER OF THE ARIZONA	CORPORATION COMMISSION
2		
3	3 CHAIRMAN	COMMISSIONER
4		3 Rul
5	COMMISSIONER COMM	SSIONER COMMISSIONER
7	III WII	NESS WHEREOF, I, JODI JERICH, Executive of the Arizona Corporation Commission, have
8	hereunto Commis	set my hand and caused the official seal of the sion to be affixed at the Capitol, in the City of
10	Phoenix	this ghan day of Man, , , , , 2013.
11		di A. Jerich
12	JODI JE EXECU	RICH TIVE DIRECTOR
13	3	
14	4 DISSENT	
15	5	
16	6 DISSENT	
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18	This document is available in alternative formats Coordinator, voice phone number 602-542-3931	e-mail sabernal@azcc.gov.
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26	26	Decision No

CONSENT TO ENTRY OF ORDER

- 1. Lynn R. Goldney ("Respondent") and Valerie L. Goldney ("Respondent Spouse"), admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondent and Respondent Spouse acknowledge that they have been fully advised of their right to a hearing to present evidence and call witnesses and they knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondent and Respondent Spouse acknowledge that this *Order for Revocation, Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Lynn R. Goldney and Valerie L. Goldney* ("Order") constitutes a valid final order of the Commission.
- 2. Respondent and Respondent Spouse knowingly and voluntarily waive any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.
- 3. Respondent and Respondent Spouse acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.
- 4. Respondent and Respondent Spouse understand and acknowledge that they have a right to seek counsel regarding this Order, and that they have had the opportunity to seek counsel prior to signing this Order. Respondent and Respondent Spouse acknowledge and agree that, despite the foregoing, they freely and voluntarily waive any and all right to consult or obtain counsel prior to signing this Order, and understand all terms it contains.
- 5. Respondent and Respondent Spouse admit only for purposes of this proceeding and any other proceeding in which the Commission or any other agency of the state of Arizona is a party the Findings of Fact and Conclusions of Law contained in this Order.
- 6. By consenting to the entry of this Order, Respondent and Respondent Spouse agree not to take any action or to make, or permit to be made, any public statement denying, directly or

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indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual basis. Respondent and Respondent Spouse will undertake steps necessary to assure that all of their agents understand and comply with this agreement.

- 7. While this Order settles this administrative matter between Respondent and Respondent Spouse and the Commission, Respondent and Respondent Spouse understand that this Order does not preclude the Commission from instituting other administrative or civil proceedings based on violations that are not addressed by this Order.
- 8. Respondent and Respondent Spouse understand that this Order does not preclude the Commission from referring this matter to any governmental agency for administrative, civil, or criminal proceedings that may be related to the matters addressed by this Order.
- 9. Respondent and Respondent Spouse understand that this Order does not preclude any other agency or officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal proceedings that may be related to matters addressed by this Order.
- 10. Respondent agrees that he will not apply to the state of Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser or investment adviser representative until such time as all restitution and penalties under this Order are paid in full.
- 11. Respondent agrees that he will not exercise any control over any entity that offers or sells securities or provides investment advisory services within or from Arizona until such time as all restitution and penalties under this Order are paid in full.
- 12. Respondent and Respondent Spouse acknowledge that any restitution or penalties imposed by this Order are obligations of the Respondent as well as the marital community.
- 13. Respondent and Respondent Spouse consent to the entry of this Order and agree to be fully bound by its terms and conditions.

- Respondent and Respondent Spouse acknowledge and understand that if they fail to comply with the provisions of the order and this consent, the Commission may bring further legal proceedings against them, including application to the superior court for an order of contempt.
- 15. Respondent and Respondent Spouse understand that default shall render them liable to the Commission for its costs of collection and interest at the maximum legal rate.
- 16. Respondent and Respondent Spouse agree and understand that if they fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondent and Respondent Spouse agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.

1 R. Goldney

NOTARY PUBLIC

County of Molane) ss		
SUBSCRIBED AND SWORN TO B	EFORE me this 27 day of March Brendy & Gleel	, 2013.
NOTARY PUBLIC - ARIZONA MOHAVE COUNTY	Brenda & Gleel	

My Commission Exp. March 24, 2015

My commission expires:

3-24-2015

STATE OF ARIZONA

Valerie L. Howard-baldney

Valerie L. Goldney

STATE OF ARIZONA
)
) ss

C	ounty of MokaVE)				
s	UBSCRIBED AND SW	RATO BEFO	ORE me this 11	day of APR	iL	, 2013.
	Notary Public - Sta MOHAVE CO	ate of Arizona	/	MIN	Mari	
ı	My Comm Expires	1	NOTAR	Y PUBLIC (

My commission expires: 3-10-2017

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1	SERVICE LIST FOR: LYNN R. GOLDNEY (CRD NO. 1325181) AND VALERIE L. GOLDNEY, HUSBAND AND WIFE:
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3	Lynn R. Goldney 4051 Calimasa Dr. Lake Havasu City, AZ 86406
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5	Pro Se
6	Valerie L. Goldney 4051 Calimasa Dr.
7	Lake Havasu City, AZ 86406
8	Pro Se
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BEFORE THE ARIZONA CORPORATION COMMISSION

1				
2	COMMISSIONERS			
3	BOB STUMP, Chairman			
4	GARY PIERCE BRENDA BURNS BOB BURNS			
5	SUSAN BITTER SMITH			
6	In the matter of:)) DOCKET NO. S-20880A-13-0088		
7	LYNN R. GOLDNEY (CRD No. 1325181))) NOTICE OF FILING OF PROPOSED		
8	and VALERIE L. GOLDNEY, husband and wife,	OPEN MEETING AGENDA ITEM)		
9	Respondents.))		
	D 44 A C D14 A 202			
11		hereby notified that the attached: Order to Cease		
12	and Desist, Order for Restitution, Order for Administrative Penalties, and Consent to Same by			
13	Lynn R. Goldney and Valerie L. Goldney was filed with the Arizona Corporation Commission's			
14	Docket Control.			
15				
16	Dated: April 16, 2013 By	y: Stephen h housel		
17		Stephen J. Womack Enforcement Attorney		
18		Securities Division		
19		Arizona Corporation Commission		
20				
21	I hereby certify that I have this day served the foregoing document on all parties of record			
22	in this proceeding by mailing a copy thereof, p	roperly addressed with first class postage prepaid to:		
23	Lynn R. Goldney 4051 Calimasa Dr.	Valerie L. Goldney 4051 Calimasa Dr.		
24	Lake Havasu City, AZ 86406	Lake Havasu City, AZ 86406		
25				
26	Dated: 4/16/13 B	y: June L. Guige Emie R. Bridges, Executive Assistant		
20		Émie R. Bridges, Executive Assistant		
		Decision No. 73866		
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